

SITE VISIT and INFORMATIONAL HEARING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification)	Docket No.
for the Palomar Energy Project)	01-AFC-24
by Semptra Energy Resources)	
_____)	

CALIFORNIA CENTER FOR THE ARTS
ROOMS IV and V
340 N. ESCONDIDO BOULEVARD
ESCONDIDO, CALIFORNIA

THURSDAY, MARCH 21, 2002

6:44 p.m.

Reported by:
James Ramos
Contract No. 170-99-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Robert A. Laurie, Presiding Member

HEARING OFFICER AND ADVISORS PRESENT

Susan Gefter, Hearing Officer

Michael Smith, Advisor to Chairman Keese

STAFF and CONSULTANTS PRESENT

Paul A. Kramer, Jr., Staff Counsel

Bob Eller, Project Manager

Alvin J. Greenberg

Laiping Ng

Brewster Birdsall

Jim Ford

Eileen Allen

Richard Latteri

PUBLIC ADVISER

Grace Bos

Staff Services Manager

APPLICANT

Joe Rowley

Taylor O. Miller, Attorney,

Robert C. Jackson, Manager, Project Development

Kelly M. Prasser, Manager, Corporate Relations

Tom Murnane, Communications Manager

Mark Nelson, Director, Governmental and

Community Relations

Sempra Energy

APPLICANT

Sara J. Head, Manager, Air Permitting and
Compliance
Arrie Bachrach, Program Manager
ENSR

INTERVENORS

Jim Leach
NRG Energy - Cabrillo Plant

ALSO PRESENT

Michael R. Lake, Chief, Engineering Division
Dan Speer
San Diego County Air Pollution Control
District

Jonathan Brindle, Assistant Planning Director
Chairman Karen Allgeier, Planning Commission
Jeffrey Weber, Planning Commission
Frank Lorey, Planning Commission
City of Escondido

James McCann, President
JPMC Real Estate

Linda Bailey, Chief Executive Officer
Escondido Chamber of Commerce

Glenn Sampson
CalPeak

Dan Perkins
Sierra Club

Daniel J. Chacon, Staff Writer
The San Diego Union-Tribune

Erin Massey, Staff Writer
North County Times

Susanna Concha-Garcia, Coordinator
American Lung Association of San Diego and
Imperial Counties

ALSO PRESENT

Bill Powers
Powers Engineering
Border Power Plant Working Group

Ray Klapka

Mark Rodriguez

Laurie Lewis

Anton Smeerdyk
Save South Riverside County Group (SSRC)

Marian Tollefson

Jim Diluca

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P R O C E E D I N G S

6:44 p.m.

PRESIDING MEMBER LAURIE: My name is Robert Laurie; I'm a Commissioner at the California Energy Commission and I'm the Presiding Member of the Commission's Committee hearing this case.

My colleague on the Commission, Commissioner and Chairman of the Commission, Bill Keese, will be joining us in later proceedings.

To my left is Ms. Susan Gefter. Ms. Gefter is the Hearing Officer assigned to this case. It is the Hearing Officer's responsibility to administer the hearings that will be conducted in this case, and assist the Committee in its deliberations, and is the person responsible for kicking the Presiding Member when the Presiding Member says something in error. And she does that very well.

To my right is Mr. Michael Smith. Mr. Smith is the Advisor to Chairman Keese.

The purpose of this evening's hearing is to provide information to the members of the public. As will be described for you later, this is a first step in a longer process. And staff

1 will be outlining for you tonight what that
2 process is so that you have a good understanding
3 of what your opportunities will be for
4 participation.

5 This hearing is for the purpose of
6 providing introductory comments on the Palomar
7 Energy Project. The sponsor for that project is
8 Sempra Energy Resources.

9 What I'm going to do at this time is
10 request that staff and the applicant and other
11 interested parties that are actual parties to this
12 case take this opportunity now simply to introduce
13 themselves, starting with staff, Mr. Eller.

14 MR. ELLER: I'm Bob Eller; I'm Project
15 Manager for Commission Staff. And with me, to my
16 right, is Paul Kramer, Staff Counsel. I have a
17 number of staff people in the audience today, and
18 I'd like to introduce them and have them raise
19 their hand.

20 Alvin Greenberg. Alvin is working on
21 public health, hazardous materials, worker safety
22 and fire protection and waste management issues.

23 Laiping Ng. Laiping is our transmission
24 engineering specialist. Brewster Birdsall.
25 Brewster is our air quality specialist on the

1 project.

2 Jim Ford is our traffic and
3 transportation specialist. Also here this evening
4 is Eileen Allen, our Manager for land use, traffic
5 and transportation unit. And last, but not least,
6 Richard Latteri, who is our soil and water
7 specialist.

8 PRESIDING MEMBER LAURIE: Thank you, Mr.
9 Eller. And the representatives from the applicant
10 at this time, please.

11 MR. ROWLEY: My name is Joe Rowley with
12 Sempra Energy. To my right is Bob Jackson; he's
13 the Project Manager. To my left is Taylor Miller,
14 Project Counsel.

15 We have a number of people here in the
16 audience from Sempra Energy that are specialists
17 and here to answer your questions. So we'll be
18 here after the proceedings have concluded if you
19 have any additional questions.

20 We've also set up a number of different
21 stations around to help explain the project, and
22 that can be done, I think best, on a one-to-one
23 basis. So, we'll participate in the proceedings
24 here, but we'll be available afterwards, as well.

25 Also I'd like to introduce Sara Head;

1 she's way in the back there. She's with ENSR.
2 ENSR has done a lot of the environmental studies
3 for the project. And Arrie Bachrach, also with
4 ENSR, has coordinated the assistance that they've
5 done in analyzing the project from an
6 environmental perspective.

7 Jamie McCann with JRMC Real Estate is
8 here. Jamie is the principal of the company that
9 is developing the business park. And the business
10 park is essential to the project in that unless
11 the business park is successfully developed
12 there's no place to put the power plant. So we
13 look to Jamie to kind of be the lead sled dog to
14 keep things out in front so that we have a place
15 to put the plant.

16 Also wanted to announce that we have a
17 telephone number if you'd like to contact us
18 directly. You might want to jot this down. It's
19 877-736-7729. That's 877-736-7729. It's a toll
20 free number. Thank you.

21 PRESIDING MEMBER LAURIE: Thank you, Mr.
22 Rowley.

23 We have a couple parties that have
24 formally intervened in the case thus far. I'd ask
25 if those parties are present. Is there any

1 representative from CURE present? I see none.

2 Is there any representative from
3 Cabrillo present? Yes, sir, could you please come
4 to the microphone and identify yourself. And you
5 are a formal party, so you are free to come up
6 front if you desire to do so.

7 MR. LEACH: My name is Jim Leach with
8 NRG Energy, and we have the Cabrillo plant, which
9 is over in Carlsbad. And we've intervened for the
10 purpose of collecting information on the project
11 and how it affects our plant, and the distribution
12 of the power of our plant and also from the
13 availability of gas to supply our plant.

14 PRESIDING MEMBER LAURIE: Okay. Thank
15 you very much.

16 There are some public agencies present.
17 For the record we'd like to note your presence. I
18 know there are representatives from the City and I
19 think the San Diego Air Pollution Control
20 District. If we can get a representative from
21 those offices to note your presence, please.

22 MR. BRINDLE: Chairman Laurie, my name
23 is Jonathan Brindle representing the City of
24 Escondido.

25 PRESIDING MEMBER LAURIE: Thank you,

1 sir. And your position at the City?

2 MR. BRINDLE: Assistant Planning
3 Director.

4 PRESIDING MEMBER LAURIE: Thank you,
5 sir.

6 MR. LAKE: Good evening, I'm Michael
7 Lake with the San Diego Air Pollution Control
8 District. And we have several representatives,
9 staff members, here with us.

10 PRESIDING MEMBER LAURIE: Thank you,
11 sir; appreciate your being here.

12 I'd also like to have an opportunity if
13 there are community organizations present that
14 represent numbers of people and you'd like to note
15 your presence, please feel free to do so at this
16 time. Community organizations, voluntary or
17 otherwise. And we'd just like to have, not your
18 position statement at this point, but we want to
19 be able to know that you're present.

20 MS. CONCHA-GARCIA: My name is Susanna
21 Concha-Garcia, and I'm representing the American
22 Lung Association of San Diego and Imperial
23 Counties. Thank you.

24 PRESIDING MEMBER LAURIE: Thank you very
25 much.

1 MR. PERKINS: Dan Perkins with the
2 Sierra Club. We have 17,000 members, and we
3 represent them.

4 PRESIDING MEMBER LAURIE: Thank you,
5 sir.

6 MS. BAILEY: Good evening, Linda Bailey
7 with the Escondido Chamber of Commerce.

8 PRESIDING MEMBER LAURIE: Thank you,
9 welcome.

10 MR. POWERS: Bill Powers, Powers
11 Engineering and Border Power Plant Working Group.

12 PRESIDING MEMBER LAURIE: Thank you,
13 sir. Anybody else? Yes, sir.

14 MR. SMEERDYK: Good evening, my name is
15 Anton Smeerdyk. I'm the Technical Advisor with
16 the SSRC Group, Save South Riverside County.
17 Thank you.

18 PRESIDING MEMBER LAURIE: Thank you.
19 Any other group who would like to note their
20 presence?

21 We have members of the media present, if
22 you care to identify yourself, we would welcome
23 that. You're certainly not obligated to. Please.

24 MS. MASSEY: Good evening, my name is
25 Erin Massey. I'm with The North County Times

1 newspaper.

2 PRESIDING MEMBER LAURIE: Thank you very
3 much. Anybody else wish to identify themselves.
4 Yes, sir, good evening.

5 MR. CHACON: My name is Daniel Chacon
6 and I work for The Union Tribune.

7 PRESIDING MEMBER LAURIE: Thank you,
8 sir. Are there any elected officials present that
9 would like to note their presence for the record
10 at this time? If not, thank you.

11 We do have representatives from the
12 Public Adviser's Office here. You will hear a
13 presentation from the Public Adviser shortly. And
14 what that presentation will discuss is how you,
15 members of the public, can stay the most involved
16 and informed regarding the project.

17 Would you like to note your presence for
18 the record at this time, please?

19 MS. BOS: Hi, Grace Bos, I'm the
20 Associate Public Adviser for the Energy
21 Commission.

22 PRESIDING MEMBER LAURIE: Thank you,
23 Grace.

24 Please note that these hearings are
25 being recorded. And if there's ever any issue

1 regarding the recording we will halt the
2 proceedings until the matter is repaired. A
3 careful recordation is important. It will become
4 more important during the evidentiary phase of
5 these hearings, because that is what we will base
6 our decision upon.

7 I should also note to you at this time
8 that we have a rule. And the rule is called the
9 ex parte rule. What the ex parte rule is that
10 neither I nor my Hearing Officer nor Chairman
11 Keese nor Mr. Smith, nor any other member of the
12 Commissioner Staff is permitted to have any
13 discussions with any of the parties unilaterally,
14 or any members of the public unilaterally.

15 Sometimes, usually there's no issue with
16 parties, but members of the public sometimes like
17 to find your email and send notes. What happens
18 in those instances is I have to record for the
19 record that notes have been received, but I'm not
20 permitted to receive those. So I will not read
21 them.

22 What will happen is during the course of
23 these proceedings where we have public meetings
24 it's at that point where public communication is
25 not only permitted, but it is encouraged. The

1 point being is I am not allowed to have any
2 private communications with anybody involved in
3 this project, other than my own personal staff and
4 the Committee.

5 At this point we will want to hear a
6 presentation from the applicant regarding the
7 project. We want to hear from the Public Adviser.
8 And we want to hear from staff. I think I'll ask
9 staff to make their presentation first. Mr.
10 Eller, are you going to speak primarily regarding
11 the process?

12 MR. ELLER: I have both process and the
13 specifics of the case prepared to go.

14 PRESIDING MEMBER LAURIE: Okay. Would
15 you prefer that the Public Adviser go first?

16 MR. ELLER: That would be fine.

17 PRESIDING MEMBER LAURIE: Okay. Grace,
18 why don't you go ahead and again reintroduce
19 yourself and offer your report at this time.

20 The Public Adviser is a part of the
21 California Energy Commission. The Public Adviser
22 is a person actually appointed by the Governor for
23 the purpose of insuring public participation in
24 licensing projects.

25 MS. BOS: I prefer to face the audience,

1 but I think it's going to be difficult to do, so
2 excuse my back.

3 Again, my name is Grace Bos from the
4 Public Adviser's Office. I wanted to very
5 briefly, it will take less than five minutes
6 probably, go over what the Public Adviser's Office
7 does to assist the public.

8 Our role is basically to assist the
9 public in understanding our process, the Energy
10 Commission's siting process. We assist members of
11 the public who want to participate in the process.

12 And what I'd like to go over is some
13 ways that you can participate, whether it's
14 informal or formal.

15 First thing our office has done is we
16 send the application for certification, which is a
17 very very large, very large document. We send
18 those to the public library in your area. In this
19 case we sent it to two libraries.

20 We also ask the librarian to put up a
21 large poster. So if you want to know anything
22 about the project you can go to the library.

23 The other issue is, of course, if you
24 want to go to the next slide, we can also tell you
25 where to -- there you go, Energy Commission

1 website. Anything you want to know about this
2 particular case you can go to the website.

3 Now, we have a docketing unit. And the
4 docketing unit works very much like a court.
5 There's a category for each case. And so you can
6 find out what's happening with the case. And if
7 you'd like to get on our website and be notified
8 of the events that go on and the meetings, then we
9 can put you on a mail list and I can show you
10 later how to do that.

11 All our meetings are publicly noticed.
12 And the Commission welcomes public participation.
13 I have laid on the table outside some blue cards,
14 and I will later on, if those of you who are
15 members of the public want to make comment, I will
16 collect those and hand them to Commissioner Laurie
17 so that he can call on you, if you want to do so.

18 The Committee hearings, we have
19 workshops and we have hearings. The hearings are
20 very formal. Workshops are not transcribed. You
21 know, we have a person there recording everything.
22 When we have a workshop there is not going to be a
23 recording made of it.

24 There are Committee conferences.
25 Anything that's like a hearing you will find that

1 that's very very formal.

2 Again, like I say, we welcome public
3 participation. Now, there are two ways to
4 participate. Informal participation, anyone can
5 attend a meeting, anyone can fill out a blue card,
6 make comments or not say anything and just sit and
7 listen.

8 You can also submit written comments to
9 us, or to the Commissioners. And if you call our
10 office or you fax it to me, we will actually
11 docket that so that it's still something that has
12 weight.

13 It doesn't weigh as much, however, as
14 when you become a formal party to the case and
15 that's what we call an intervenor. And to file a
16 petition to intervene I can show you. That's a
17 big book to study, too; but we also have some
18 pages that if you're interested in being an
19 intervenor that I can hand to you and you can just
20 fill out the paperwork. But then you are actually
21 a formal party to the case.

22 Now, who can become an intervenor?
23 Anyone can become an intervenor. If you have a
24 local interest you can become an intervenor. And
25 the question is always when we can intervene.

1 Well, the sooner the better. It's not so good to
2 do it the very lat minute because the sooner you
3 do it the more informed you will be.

4 What are the responsibilities of an
5 intervenor? And this is where the Public Adviser,
6 who is an attorney, can help you. I am not an
7 attorney, and she is not here tonight. But when
8 you are an intervenor you are basically a party to
9 the case. That means you can actually cross-
10 examine witnesses; you can cross-examine witness,
11 but all the parties that you deal with, they have
12 to send you the paperwork. You also, in turn,
13 have to send them everything that you ask for.

14 So you have the same benefits and
15 responses as the other parties in the case, which
16 would be agencies or could be -- now, you want to
17 go to the next one. Finally -- well, not finally,
18 almost -- this is the form that's in this book
19 that if you wanted to be a participant, an
20 intervenor, you could fill that out. And I have
21 those with me if you're interested.

22 You do need to be aware, however, that's
23 a lot of work. That is nothing something easy to
24 do.

25 So, finally, the benefits of

1 intervention, they're right there for you. I
2 won't go into all the details. But you receive
3 all filings in the case that will be mailed to
4 you. Whoever is a party in the case will then
5 provide you with all the material that everyone
6 else that's a party has been sent.

7 You will receive all the notices of the
8 workshops and the hearings. And, again, you can
9 present evidence and witnesses at formal hearings.
10 And you can also cross-examine witnesses.

11 So, basically my last slide shows us the
12 names -- will show you the name of the Public
13 Adviser who is the attorney. And our toll free
14 number, the 800 number, as well.

15 I will be here all evening if you have
16 any questions, at the end of the meeting I imagine
17 Commissioner Laurie will probably want public
18 comment on the end, I would assume. I will
19 collect the cards and give it to the Commissioner.

20 Thank you for your attention.

21 PRESIDING MEMBER LAURIE: Thank you,
22 Grace, very much.

23 I should note that you, as Grace noted,
24 if you're going to formally intervene there are
25 responsibilities that go along with that. And

1 once evidentiary hearings start, as Presiding
2 Member I'm going to require formal intervenors,
3 whether represented by legal counsel or not, to
4 follow the administrative rules of our
5 proceedings.

6 But you do not have to be an intervenor
7 to be heard. If you have something to say about
8 the project because you like it or you don't like
9 it, or you want to paint it pink or blue or
10 yellow, doesn't matter, you can stand up and, as a
11 member of the public, tell us that. And that is
12 part of the record upon which we base our
13 decision.

14 So, it's only if you're interest is such
15 that you want to be able to cross-examine
16 witnesses and fully participate, that you will
17 want to become an intervenor.

18 And I would have discussions, if I were
19 you, with the Public Adviser before you make that
20 decision so you've a full understanding of what it
21 could mean to you and the people that you are
22 working with.

23 Grace, appreciate your comments.

24 I should also note that whether it's at
25 the evidentiary hearing or tonight, anytime we

1 hold a public meeting we're going to give the
2 public an opportunity to comment.

3 You are the people and you need to be
4 heard. And we will provide ample opportunity for
5 you to do that.

6 You're certainly free to discuss
7 whatever issue you want to tonight. I would just
8 note, however, that tonight is not part of the
9 evidentiary proceeding, and tonight is not part of
10 the record upon which we base our decision.

11 At this time I'd like to call upon the
12 applicant to provide a description of the project,
13 please.

14 MR. ROWLEY: Thank you. This project
15 really has its roots back in May of the year 2000
16 when prices spiked to astronomical levels, and the
17 customers in San Diego County were faced with the
18 full brunt of that.

19 And at that point in time I was working
20 for Sempra Energy Resources, and I need to
21 describe who we are. Sempra Energy Resources is
22 an industrial developer that specializes in power
23 plants.

24 We're owned by Sempra Energy which is
25 the same parent company that owns SDG&E. But we

1 are an entirely separate company from SDG&E. And
2 we deal with each other as separate companies.
3 Whereas they are a utility, we are an industrial
4 developer.

5 So we were developing projects in May of
6 2000 in Arizona and up in the San Joaquin Valley.
7 And it seemed like we had a crisis back here at
8 home near our headquarters in our own home area.

9 So we took a look at what we could do
10 with our skills as developers to address that.
11 And when I started to look at San Diego County as
12 a location for a power plant, instead of just
13 where I live, certain things became very apparent.

14 And one was that the north inland County
15 has a lot of electrical load; in other words
16 there's a lot of customers. But there's not much
17 in the way of power generation. So there's kind
18 of a large deficit of power in the north inland
19 San Diego County area.

20 Most of the power that flows in flows
21 into the south County or up in the north along the
22 coast. There's kind of a deficit here.

23 And so we thought that first of all we
24 could find a location for a power generating
25 facility that would not only provide electricity,

1 but also inject power directly into this deficit
2 area and provide a benefit in terms of how the
3 transmission grid behaved. In other words, power
4 tends to flow towards this area. And if you
5 inject power into the middle of it, then the power
6 lines aren't so loaded up flowing into this area.

7 We call that a load pocket. So the
8 first objective was to add 500 megawatts of
9 generation inside that load pocket and not just
10 any kind of generation. We wanted it to be
11 efficient, reliable, dispatchable, that means you
12 could make the plant work at high output or low
13 output depending on what load was, and do it in an
14 environmentally sound manner.

15 We also wanted to avoid displacing
16 existing power plants because then we're not
17 really solving the problem. We're not adding to
18 the ability to serve load in that load pocket.

19 And we did not want to displace import
20 capability. In other words, SDG&E imports power
21 into the San Diego area, and we didn't want to put
22 our plant in a location that would just displace
23 their ability to import. Again, we really
24 wouldn't add to the solution unless we put it near
25 the load.

1 Our second objective was to avoid the
2 construction of any new transmission lines. We
3 wanted to locate near existing transmission
4 facilities.

5 Thirdly, we wanted to locate where the
6 plant would have minimal impact on SDG&E gas
7 system. The SDG&E gas system is fed from the
8 north, so the further north a customer is located,
9 the less stress it puts on the system.

10 The fourth objective is we wanted, as we
11 look at dry cooling in all of our projects, and
12 we've gone with dry cooling, that it's used air to
13 cool the project, in this particular case it
14 looked as though reclaimed water was something
15 that could be available in San Diego County, and
16 we wanted to make sure of that if at all possible.

17 Lastly, because we would be locating the
18 plant near the load that also means you're in near
19 the customers, and that presents special
20 challenges in terms of putting a plant near where
21 people are. So we wanted to find a site that had
22 not a flat site where you have a direct line of
23 sight. We wanted to see some topography where we
24 could use ridge lines of topography to kind of
25 hide the plant to the greatest extent possible.

1 So that's what we set out to do. And
2 let's go to the next slide. This is the project
3 that we formulated in response to that. A natural
4 gas fired plant of 500 megawatts baseload output.
5 Baseload means that's its normal full output.

6 We could squeeze another 50 megawatts or
7 550 megawatts of output during peak periods for
8 short periods of time.

9 It's a highly efficient technology. As
10 I mentioned out on the site, in terms of air
11 emissions the project would be extremely clean.
12 The level of nitrogen oxides, which is the main
13 pollutant -- one of the main pollutants that we
14 look at, would be 2 ppm, as compared to say ten
15 years ago the state of the art for natural gas
16 combustion was 9 ppm. In the 1980s vintage plant
17 might be 40 ppm. So we're down to 2 ppm.

18 This project, in terms of its emission
19 rate of nitrogen oxides is equivalent to about 44
20 cars traveling on the freeway. So it's getting to
21 a very low emissions level.

22 The power is generated by two combustion
23 turbines. Those are the turbines that burn
24 natural gas to generate power. The turbines have
25 a hot exhaust that's over 1100 degrees. There's a

1 lot of usable heat in the exhaust, so the process
2 takes that heat and uses it to make steam. And
3 then the steam is put into a third turbine, a
4 steam turbine. And that third turbine produces
5 the rest of the power. So there's actually a
6 total of three generators, two of them burn
7 natural gas, and a third one is powered with
8 steam.

9 The steam needs to be condensed back to
10 water so that we can reuse it in a closed cycle.
11 And so we have a mechanical draft cooling tower
12 using water from the City of Escondido's Hale
13 Avenue Resource Recovery Facility. And that
14 mechanical draft cooling tower would be of a
15 plume-abated design such that whereas other
16 projects, older projects, have kind of a water
17 vapor plume rising from the project. The sort of
18 the byproduct of using water to cool. We're using
19 a plume-abated tower that uses sufficient air and
20 temperature to prevent the moisture from
21 condensing and forming that visible plume.

22 So, the rest of the exhaust, themselves,
23 there would be nothing visible. And in fact it
24 would take very sensitive instruments to measure
25 any pollutants coming out of the stack. And we

1 will measure the emissions on a continuous basis.
2 And the cooling tower would have the plume
3 abatement design.

4 In terms of what we call linear
5 facilities there are no transmission lines at all.
6 The project does not require the construction of
7 any new transmission lines.

8 The second thing is as I mentioned out
9 on the tour that there's some kind of a bottleneck
10 in the SDG&E gas system. It's about half a mile
11 long. And there needs to be a half mile of 16-
12 inch pipe installed to remove that bottleneck. So
13 that's attributable to the project.

14 And in order to supply water to the
15 project from the Hale Avenue Resource Recovery
16 Facility, about a 1.1-mile pipeline would be built
17 connecting to the City's reclaimed water system
18 that's currently under construction. You've
19 probably seen the purple pipe going in the ground
20 all over town. The main source of that is the
21 Hale Avenue Facility, and the main header coming
22 out of that facility is where the pipeline for the
23 Palomar project would originate.

24 And then the cooling process evaporates
25 about three-quarters of that water. And the

1 concentrated remainder would be returned to the
2 HARRF, the Hale Avenue Facility, via a 1.1-mile
3 long return pipeline.

4 The site is on 20 acres within the
5 Escondido Research and Technology Center. And you
6 can see it says power generation site in that kind
7 of purple color there. And bright yellow is
8 SDG&E's transmission line corridor where we saw
9 those lattice towers out on the site.

10 The kind of pink area is the 200-acre
11 Escondido Research and Technology Center site,
12 which includes the purple power generation site.

13 And maybe before we leave this I can try
14 to describe a couple of things. See where it says
15 SDG&E transmission lines on the vertical portion?
16 And the word lines, there's kind of a slight kink
17 in that yellow corridor. That's the high point
18 near the site, and that transmission line runs
19 along the ridgeline that we saw out on the project
20 site.

21 The grading of the business park would
22 lower the power generation site about 40 feet.
23 Whereas the ridgeline where the transmission lines
24 are currently situated would remain in place. So
25 the ridgeline would essentially be enhanced by

1 lowering the site on the west side, on the power
2 generation site. And then the business park
3 development -- and I'd like Jamie McCann to come
4 up if he's still here and talk a bit about that.

5 The grading would involve lowering the
6 power generation site and then using that fill
7 material over on the west side near the
8 residential area to build an artificial ridgeline
9 in the buffer area between the residences and the
10 business park.

11 If we could go to the next slide. So,
12 superimpose the JRMC business park design over the
13 top here. And the yellow area on the left is the
14 buffer area. That's about 220 feet wide where
15 it's kind of a narrow strip there. And then it's
16 several hundred feet wide further south.

17 On the right we have an arrangement of
18 the power generation site. And, of course, that's
19 not of the same scale as the picture on the left.
20 But if you -- well, in fact, let's go back one.
21 The power generation site, that purple area, is
22 expanded on the right there, so that everything on
23 the right would fit into that purple area.

24 And what's highlighted in yellow,
25 working from the top, is a pair of gas

1 compressors, because the gas system pressure is
2 not always high enough to meet the power plant's
3 needs, so they're sort of backup gas compressors.

4 And then the two combustion turbines are
5 the long skinny structures, kind of in the middle.
6 And those long skinny structures also include the
7 heat recovery steam generators that turn the
8 exhaust heat into steam.

9 The rectangle to the lower right is the
10 operations building. And then at the extreme
11 south end is the cooling tower.

12 And that concludes our project
13 description.

14 Would it be worthwhile to have the
15 business park developer say a few words about the
16 business park?

17 PRESIDING MEMBER LAURIE: By all means,
18 yes.

19 MR. ROWLEY: Jamie McCann, are you here?

20 MR. McCANN: Where do you want me?

21 MR. ROWLEY: Do you want to come up and
22 use the mike? Or use that mike, that would be
23 good.

24 MR. McCANN: Good evening. My name's
25 James McCann. I'm the President of JRMC Real

1 Estate. We are the developer of the Escondido
2 Research and Technology Center that is on the
3 screen here. And it's aligned north to south.

4 I think three or four things come to
5 mind. We saw an opportunity here when we learned
6 of Sempra Energy Resources' plans for the Palomar
7 Energy Project to take advantage of the existing
8 topography and create a separation on the westerly
9 edge of the park to separate the residential uses
10 from the commercial/industrial business park that
11 we plan.

12 And the opportunity we saw was to take
13 advantage of basically isolating the power plant,
14 or plant generation site, using the existing
15 topography and cutting the pad down, creating
16 nearly a million yards of export material that we
17 could use along the west edge as a buffer.

18 We have a horizontal distance there of
19 200-plus feet, a vertical distance of I guess
20 ranging from 50 to 100 feet, depending on where we
21 are in the westerly edge of the park.

22 That, and in addition the substantial
23 cleanup, if you will, of the transmission corridor
24 and a number of the old wood poles that we saw
25 criss-crossing the site. These have historically

1 been huge problems for traditional real estate
2 development. And these are of value to the
3 Palomar Energy Project. And so there was a
4 benefit that would serve both of our objectives.

5 In the scope of the park, the plant and
6 planning area one is roughly 15 acres. The
7 business park is over 200 acres. So, it's a
8 relatively small component in land area. But it
9 is something that has gotten a great deal of care,
10 if you will, in terms of integrating it to be
11 largely out of sight and out of mind from the
12 park, in the same way that the park attempts to be
13 out of sight and out of mind from the residences
14 to our west.

15 We have, I think, somewhere in the order
16 of 40-odd acres of open space. We'll be
17 mitigating onsite habitat offsite between 50 and
18 100 acres. Our business is about balancing
19 competing interests. And this is a project that
20 we've tried to take advantage of, the Palomar
21 Energy Project, as an opportunity to make for a
22 better business park.

23 And thank you very much.

24 PRESIDING MEMBER LAURIE: Thank you,
25 sir.

1 MR. ROWLEY: That concludes our
2 presentation.

3 PRESIDING MEMBER LAURIE: Thank you,
4 sir, very much. Mr. Eller.

5 MR. ELLER: Good evening, again. I am
6 Bob Eller, Project Manager for the Commission
7 Staff.

8 The purpose of the siting process is to
9 insure that a reliable supply of electrical energy
10 is maintained at a level consistent with the need
11 for such energy for protection of public health
12 and safety, for promotion of the general welfare,
13 and for environmental quality protection. That's
14 defined in Public Resources Code 25001.

15 Our role in doing that is that we are
16 the state permitting authority for any thermal
17 power plant, thermal being it burns fuel, of
18 greater than 50 megawatts or more -- 50 megawatts
19 or greater. And any related facilities for that,
20 including transmission lines, water supply lines,
21 natural gas pipelines, waste disposal facilities,
22 access roads.

23 As such we are acting as the lead agency
24 for the California Environmental Quality Act, or
25 CEQA.

1 We have a three-step licensing process.
2 The first step is data adequacy, which we've
3 completed. And that's to determine whether the
4 application submitted by Palomar met the minimum
5 requirements of the Commission for an application
6 for certification.

7 We're currently in discovery and
8 analysis. We have issued data requests on the
9 project to the applicant. We will be holding
10 workshops during that period, and we will also be
11 performing a staff assessment, preliminary; and a
12 final staff assessment.

13 Following our review we will go to an
14 evidentiary hearing and decision process where the
15 Committee will hold evidentiary hearings and
16 produce a PMPD, which is a Presiding Member's
17 Proposed Decision. And that will go to a full
18 decision by the Commission.

19 The next slide kind of graphically
20 portrays the relationships during the process.
21 The intervenors and the public at the top.
22 Assisted by the Public Adviser. Assists the staff
23 in preparing their staff assessment and testimony
24 for the project.

25 Well, actually the staff assessment will

1 eventually be the staff's testimony in the
2 evidentiary hearings.

3 The applicant, local, state and federal
4 agencies also provide input to staff in the
5 preparation of their analysis.

6 On the hearing and decision process it
7 shows again the relationships. The intervenor and
8 public provide testimony with the assistance of
9 the Public Adviser to the Committee for their
10 proposed decision, and ultimately the final
11 Commission decision.

12 Staff will represent themselves with
13 their testimony. Applicant will represent
14 themselves with their application as their
15 testimony. And any local, state and federal
16 agency comments will be heard by the Committee.
17 This will ultimately be the basis for the
18 Commission decision.

19 In staff's analysis of the application
20 for certification we determine if the proposal
21 complies with the laws, ordinances, regulations
22 and standards, or as you may hear it called, LORS.

23 We conduct an engineering and
24 environmental analysis that identifies the
25 appropriate issues, evaluates alternatives to

1 impacts, identifies mitigation measures, and
2 recommends conditions of certification that if the
3 project is built it must meet those conditions.

4 We facilitate public and agency
5 participation in the Commission's licensing
6 process. And ultimately our staff products are,
7 as I said, staff assessments. And those are
8 recommendations to the Committee.

9 Staff works closely with federal, state
10 and local agencies. For example, we are currently
11 working with the City of Escondido and
12 understanding their review of the business park.

13 San Diego Air Pollution Control District, who
14 is working on the air side of this project.

15 At the state level we coordinate with
16 Air Resources Board, California Department of Fish
17 and Game. And at the federal level we coordinate
18 with the U.S. Fish and Wildlife Service and the
19 U.S. Environmental Protection Agency.

20 Following staff assessment, the
21 Committee will issue a Presiding Member's Proposed
22 Decision -- actually that's following the
23 hearings. This will contain findings relating to
24 the environmental impacts, public health and
25 engineering, and the project's compliance with

1 LORS.

2 And that will also recommend conditions
3 of certification and recommend whether or not to
4 proceed with the project. The ultimate decision
5 is made by the full Commission.

6 If the Commission were to decide to
7 approve the project, the Commission will monitor
8 the compliance with all conditions of
9 certification for the life of the project,
10 including the closure of the facility at the end
11 of its useful life.

12 You've heard some about our public
13 process. Let me just talk a bit more about it
14 this evening. All of our workshops and hearings
15 are noticed 10 to 14 days in advance. And they
16 are open for the public to attend.

17 We are developing mailing lists. If you
18 signed in tonight and checked the box on there to
19 be notified of future workshops, you'll be getting
20 a notice on those.

21 The documents in the proceeding. The
22 application, and ultimately the staff report and
23 the Presiding Member's Decision and ultimate
24 decision will be available for public review at
25 local libraries or currently at the libraries in

1 the Escondido area. And also Sacramento, Los
2 Angeles, San Francisco, San Diego, Fresno and
3 Eureka. We also have copies at the Commission
4 library in Sacramento.

5 And you can look at documents on our
6 website; if you've got a copy of this
7 presentation, those URLs will be available to you
8 so you don't have to write them down.

9 Also, the dockets unit at the Energy
10 Commission, which is a repository for all
11 information in this proceeding. And that's their
12 address in Sacramento.

13 Ways you may participate. You can
14 either submit written comments or statements to
15 the Commission. Provide oral comments at public
16 meetings. Again, become a formal intervenor as
17 was outlined earlier by the Public Adviser's
18 Office. Or provide written comments on the staff
19 assessment.

20 And finally, there's a list of contacts.
21 And I hope, you know, if you need those numbers
22 you can grab a copy of the presentation.

23 My remaining slides go to staff issues
24 and scheduling, and I will withhold those for the
25 appropriate time.

1 PRESIDING MEMBER LAURIE: Does that
2 complete your presentation?

3 MR. ELLER: Yes, sir.

4 PRESIDING MEMBER LAURIE: What we're
5 going to do at this point is, Mr. Eller, I'd like
6 you to provide a brief discussion of issues.

7 And then I note that we do have the
8 representative from the Air District present. If
9 they would like to comment following Mr. Eller's
10 issue identification report.

11 And then we'll provide an opportunity
12 for public comment and public questions.

13 Are you prepared to proceed at this
14 point, Mr. Eller?

15 MR. ELLER: I am, sir.

16 PRESIDING MEMBER LAURIE: Thank you.

17 MR. ELLER: On March 15th, at the
18 request of the Committee, staff issued their
19 identification report on this project. The
20 purpose of that report is to inform participants
21 of potential issues and to provide an early focus
22 to the proceeding.

23 The criteria we look at in determining
24 whether to identify an issue is we look at impacts
25 that may be difficult to mitigate; those that may

1 have noncompliance problems with local ordinances,
2 regulations and standards; those that may
3 potentially be contentious during the proceeding;
4 and those that may impact the schedule.

5 In this proceeding we identified three
6 areas of potential issue. The first is the
7 environmental baseline. Staff expects that the
8 City of Escondido will act on their specific plan
9 and other land use permits for the industrial park
10 prior to the Commission's action on the Palomar
11 Energy project.

12 We have been working closely with the
13 City to insure that their environmental analysis
14 may be used as part of our analysis of the
15 specific impacts of the power plant; and the
16 cumulative impacts of the development of the
17 industrial park.

18 Staff will actively review and comment
19 on the City's environmental impact report for the
20 ERTC specific plan. We are working to refine the
21 details of this cooperative approach, and will be
22 reporting to the Committee further on this in the
23 very near future.

24 In air quality there are four potential
25 critical air quality issues that may affect the

1 timing and outcome of the licensing process. And
2 I will briefly describe those.

3 The first one is the accurate
4 representation of the construction impacts so that
5 we can determine the construction impacts of the
6 entire project, including the business park.

7 The cumulative effects of the project in
8 relationship to other projects that have been
9 sited for electric generation in the area.

10 The mitigation of respirable particulate
11 matter or PM10. And for mitigation of ozone and
12 secondary PM10 impacts.

13 Finally, our last issue is traffic and
14 transportation. Much of the traffic impact of
15 this project is going to occur as a result of the
16 business park. That analysis is currently being
17 performed as part of the City's review of their
18 environmental impact report on the specific plan.

19 We have asked data requests of the
20 applicant for additional information on traffic
21 and transportation area. We also hope to have
22 some of that information through the City's
23 environmental process.

24 Those are our issues at this time.

25 PRESIDING MEMBER LAURIE: Thank you. At

1 this point I'd like to ask the representative from
2 the Air District to provide a brief summary of
3 your work up to this point in the process you will
4 be following during the course of this hearing.

5 And then I'd also like to hear from the
6 City Planning Department regarding your process,
7 as well.

8 Good evening, again, gentlemen.

9 MR. LAKE: Good evening. Again, my name
10 is Michael Lake; I'm the Chief of the Engineering
11 Division with the Air Pollution Control District.
12 With me is Dan Speer --

13 PRESIDING MEMBER LAURIE: Let me
14 interrupt briefly and ask, can everybody hear
15 okay? No. I think you have to get a little bit
16 closer.

17 MR. LAKE: Sorry. My name is Michael
18 Lake. I'm with the San Diego County Air Pollution
19 Control District.

20 MR. SPEER: And I'm Dan Speer, also with
21 the San Diego Air Pollution Control District.

22 MR. LAKE: The Air Pollution Control
23 District's role in the evaluation of the Palomar
24 Energy project is twofold.

25 One is to insure that the project will

1 comply with the District's rules and regulations
2 that specify the types of emission control
3 technologies, and the emissions standards that
4 would apply to the project.

5 And also evaluates the potential for
6 adverse air quality impacts and public health
7 impacts from potential emissions of toxic air
8 contaminants.

9 We also, because the Energy Commission
10 process is the equivalent, per se, of a CEQA
11 process, we also consider and respond to issues
12 that are raised in conjunction with the overall
13 environmental impacts affecting air quality with
14 regard to the project.

15 We will again be looking at insuring
16 that the project, as designed, will comply with
17 our rules and regulations; will not cause
18 violations of any state or ambient air quality
19 standards; will not present a significant adverse
20 public health risk.

21 And once the project is built, the
22 equipment will be tested to verify that it meets
23 those emission standards, and monitored closely to
24 insure that on an ongoing basis it would meet our
25 emission standards.

1 PRESIDING MEMBER LAURIE: All right.
2 Thank you very much. I would ask you if you're
3 willing to stay around -- I'm sorry, Ms. Gefter,
4 did you have a question?

5 HEARING OFFICER GEFTER: I have one
6 question for Mr. Lake, and I wanted to ask this
7 question early on in the process before you get
8 into additional discovery, et cetera.

9 The project applicant is proposing a 2.0
10 ppm of NOx emissions for this project, which seems
11 to be the state of the art these days. However,
12 in the Otay Mesa project the conditions required
13 that project to reach a goal of 1.0 ppm regardless
14 of whether they employed SCONOx.

15 And I'm wondering if the Air District is
16 looking into a 1.0 ppm level for this project.

17 MR. LAKE: At this point in time, no.
18 In the case of the Otay Mesa project that was a
19 voluntary level of additional emission control
20 that the Otay Mesa proponents were pursuing. And
21 it was a, at that time, and still, somewhat of an
22 undemonstrated technology for that size of power
23 plant.

24 And since then the new developers of
25 that plant have indicated that they do not intend

1 to pursue the SCONOX technology for that plant.
2 And they would be pursuing standard selective
3 catalytic reduction emission control technology.
4 And I believe at the 2 ppm level.

5 Now, I believe the goal is still in
6 effect to meet 1 ppm, but that's quite a bit
7 downline from the initial licensing of the
8 facility. It's 15 or 20 years downline from the
9 initial permitting to meet that standard.

10 PRESIDING MEMBER LAURIE: Thank you. If
11 you could stick around for awhile, perhaps some
12 members of the public might have some questions.

13 MR. LAKE: Could I comment just briefly
14 on the issues identified by --

15 PRESIDING MEMBER LAURIE: Yes, sir,
16 please do.

17 MR. LAKE: -- the CEC Staff? We're
18 certainly planning to work with the staff and with
19 the applicant to identify and evaluate PM10
20 mitigation, ozone precursor mitigations and to
21 also address some of the issues that were raised
22 by staff as regards to this project.

23 I think one thing that isn't clear is
24 this concept of an emissions budget. And I am
25 sure we'll need to have some discussion with staff

1 regarding what exactly they have in mind with
2 regards to that, because that's not a regulatory
3 concept that exists for the Air Pollution Control
4 District.

5 We have various planning tools that have
6 forecast certain levels of emissions from various
7 categories of industry, but it's not a regulatory
8 budget, per se.

9 The other thing is we do have an
10 additional issue that I'll make known now. And
11 I'm sure we'll have discussions with staff and
12 with the applicant with regards to that.

13 And that's the adequacy of the analysis
14 that was done to evaluate the impact of the plant
15 on natural gas supplies here in San Diego County.
16 We have some concerns with that, and we'll be
17 providing our analysis of that to the CEC Staff
18 and to the applicant very shortly.

19 PRESIDING MEMBER LAURIE: Thank you,
20 sir, very much.

21 Could we get the representative from the
22 Planning Department? Thank you. I'd also note
23 that you have a Planning Commissioner present, do
24 you not?

25 MR. BRINDLE: Yes, we actually have

1 several.

2 PRESIDING MEMBER LAURIE: Would you just
3 like to state their names and note their presence
4 for --

5 MR. BRINDLE: Yes, Chairman Allgeier of
6 the Planning Commission; Commissioner Weber; and
7 Commissioner Lorey are here this evening.

8 PRESIDING MEMBER LAURIE: Thank you very
9 much, ladies and gentlemen, welcome. Yes, sir.

10 MR. BRINDLE: My name is Jonathan
11 Brindle; I'm the Assistant Planning Director for
12 the City of Escondido. Semptra and JRMC have also
13 made formal applications to the City of Escondido.
14 We have contracted for the preparation of an
15 environmental impact report which assesses the
16 entire 210-acre industrial park.

17 The Palomar Energy project comprises one
18 of the options on one of the sub-area. The EIR
19 will also assess industrial option on that same
20 sub-area.

21 The requested actions before the City of
22 Escondido includes several general plan
23 amendments, a comprehensive amendment to the
24 existing specific plan, a tentative subdivision
25 map, design modifications to the planned

1 circulation element through the project, as well
2 as a habitat loss permit.

3 City Staff has commenced preparation of
4 the environmental impact report. We've reviewed
5 the first screen check and we expect the submittal
6 of the second screen check within four to six
7 weeks. Our goal is to complete our review process
8 and the required public hearings prior to the
9 issuance of the Commission Staff's final
10 assessment in the AFC proceeding.

11 PRESIDING MEMBER LAURIE: Who's doing
12 the EIR?

13 MR. BRINDLE: Project PND Technologies.
14 It's under contract to the City of Escondido.

15 PRESIDING MEMBER LAURIE: Okay.

16 MR. BRINDLE: We request the continued
17 ability to work closely with the Commission Staff.
18 As Mr. Eller spoke, we have been working with them
19 and appreciate the efforts to date.

20 It's especially important that we
21 coordinate our assumptions used in the analysis
22 and the mitigation measures.

23 We appreciate your consideration and
24 look forward to a cooperative process.

25 PRESIDING MEMBER LAURIE: Thank you,

1 sir, very much.

2 Ladies and gentlemen, at this time we
3 would entertain public questions regarding our
4 process; public questions regarding specific
5 details of the plant. This is an informational
6 hearing. This is not the place to debate whether
7 or not the plant should be approved, but rather to
8 ask questions.

9 I should also note that there will be
10 workshops held on the greater issues of concern
11 during this process. So if you choose not to ask
12 questions tonight, you'll have plenty of
13 opportunity over the next couple of months.

14 There are some experts present. If you
15 ask questions they will not respond to you under
16 oath, so they are not bound by that. Again, this
17 is purely informational, and again, for public
18 purposes.

19 We will ask you to fill out blue cards.
20 If you do not fill out blue cards and you want to
21 speak, you will be allowed to do so. There is no
22 criminal punishment for failing to fill out a blue
23 card.

24 I would ask Ms. Geftter to go ahead and
25 call upon those who have submitted cards. And

1 then think about it, when we're done with that
2 I'll ask if anybody else wants to question or
3 comment.

4 HEARING OFFICER GEFTER: I have a blue
5 card from Ms. Laurie Lewis. Would you like to go
6 to the microphone, please, and tell us your name
7 on the record.

8 PRESIDING MEMBER LAURIE: Again, we will
9 ask everybody to identify themselves, and to spell
10 their last names so we have you clear on the
11 record. Evening, ma'am.

12 MS. LEWIS: Evening. Thank you for
13 allowing me to speak today.

14 HEARING OFFICER GEFTER: I'm sorry, you
15 need to speak into the microphone.

16 MS. LEWIS: Close?

17 PRESIDING MEMBER LAURIE: Yes, very
18 close.

19 HEARING OFFICER GEFTER: State your name
20 for the record.

21 MS. LEWIS: Okay, my name is Laurie
22 Lewis. It's L-a-u-r-i-e Lewis, L-e-w-i-s. I'm a
23 resident of San Marcos.

24 The question that I have is we talked
25 about the business park area, and will there be

1 some type of control of how many types of
2 companies will be allowed to be in that park as
3 far as pollutants or whatever, you know, for
4 public safety, health-wise.

5 PRESIDING MEMBER LAURIE: Thank you. We
6 will ask the representatives of the business park
7 to respond. I would note that this is not the
8 hearing on the business park. And there's going
9 to be plenty of folks who have interests in
10 talking about the business park separately.

11 But the gentleman is here, and so, sir,
12 if you're in a position to respond to the
13 question, the question posed is to what extent
14 will the City have the ability to control the
15 nature and uses and quantity of businesses going
16 into the business park.

17 Is that a fair recitation of your
18 question?

19 MS. LEWIS: Yes.

20 PRESIDING MEMBER LAURIE: Yes, please.

21 MR. McCANN: James McCann, M-c-C-a-n-n.
22 The specific plan is the document that governs the
23 permitted uses within the business park's ten
24 planning areas.

25 Each planning area has a list of

1 permitted uses and hours of operation and
2 restrictions on noise and lighting. And I guess
3 the way that I would best describe it is the
4 environmental review process is, I think, where we
5 will learn about appropriate mitigations for
6 different uses that are permitted, so that we
7 don't create, you know, problems, if you will.

8 I think that's the best I could offer.

9 PRESIDING MEMBER LAURIE: Thank you.
10 The City, both, I assume Planning Commission and
11 Council, will be holding public hearings on the
12 plant. There will also be other information
13 available.

14 I would guess that if your interest was
15 in the industrial park, what you might want to do
16 is contact the representatives from the City that
17 are here; get yourself on a specific mailing list
18 so you can follow that process. Okay? Thank you.

19 HEARING OFFICER GEFTER: Next, Mr. Jim
20 Diluca.

21 PRESIDING MEMBER LAURIE: Evening, sir.

22 MR. DILUCA: Good evening. Jim Diluca,
23 1258 Summit Place, San Diego. I would also like
24 to follow up with the current speaker.

25 The same way the government agencies

1 look at the air quality, environmental impact of
2 any industrial use, I think it's important to look
3 at the economics that will affect the immediate
4 area.

5 As you observed today there are four
6 power plants located within a valley in close
7 proximity to route 78 and 15. What is lacking
8 besides energy in San Diego is high tech companies
9 in Escondido.

10 I think the agencies need to look at
11 what is the impact on attracting high tech
12 companies to the Quail Hills Industrial Park with
13 four power plants.

14 And I call your attention to an article
15 that was put out last year that Sempra is
16 concerned about a 49 megawatt power plant that is
17 built at the entrance of the business park by
18 CalPeak, another energy company.

19 CalPeak bypassed the City and won
20 approval for its project from the State Energy
21 Commission. At that time you didn't look at the
22 impact on the jobs within Escondido. I ask you to
23 look this time.

24 Sempra officials and some City officials
25 are concerned the CalPeak plant could hinder

1 Semptra's ability to attract high-end tenants to
2 the industrial park. This was on globestreet.com,
3 an article that was published in a local newspaper
4 June 13th.

5 So, I want to emphasize it is true this
6 is a very appealing industrial park with enhanced
7 landscaping, buffers. But you have to look, the
8 Planning Commission and the City must look at land
9 use decisions and how the zoning is set up and how
10 the permitted uses are.

11 For example, there's loading docks,
12 shipping docks. This, by itself, does not tend to
13 attract infrastructure for high tech companies. I
14 think you need to mandate the type of industry
15 adjacent to a power plant. And I think if you
16 talk to the residents and the business community
17 they will see that R&D type companies are
18 warranted in the City of Escondido, and the type
19 of zoning would be office, research and
20 development, not loading docks.

21 Thank you.

22 PRESIDING MEMBER LAURIE: Thank you,
23 sir.

24 HEARING OFFICER GEFTER: Thank you. I'm
25 going to ask Mr. Glenn Sampson to come forward,

1 representing CalPeak.

2 MR. SAMPSON: Good evening; my name is
3 Glenn Sampson, S-a-m-p-s-o-n. And I did not have
4 any comments, but I do have some questions that
5 were not addressed in the presentation that maybe
6 the applicant could address now.

7 One was that we've talked about the
8 emissions from this facility in relation to NOx,
9 but there's been no reference at all to what the
10 carbon monoxide levels of emissions will be.

11 And we have certain concerns that were
12 not addressed in the presentation tonight relative
13 to traffic planning, particularly during
14 construction. What the access means will be to
15 this facility.

16 And also in relation to the traffic
17 during construction is dust mitigation, as that
18 has a particular impact on our operations.

19 Thank you very much.

20 PRESIDING MEMBER LAURIE: Thank you.
21 Can the applicant respond to the question of CO2
22 and traffic at this point, understanding that both
23 issues will not be ultimately addressed to
24 conclusiveness until later in the proceeding.

25 Do you have information that you can

1 provide the public on those issues today?

2 MR. ROWLEY: The carbon monoxide
3 emissions will meet the best available control
4 technology levels. We understand it at 4 ppm.
5 I'm sorry, the best available control technology
6 level is 6. We will be at 4 ppm.

7 And the access to the project would be
8 from the future Center -- Parkway, which is that
9 road that has the landscaping that was shown on
10 one of the graphics. It's the land that the
11 access is actually from the west, a turnout from
12 the west.

13 And the third question had to do with
14 dust mitigation. I think that would be primarily
15 a grading issue. And the grading of the site will
16 actually be accomplished as part of grading of the
17 business park.

18 I can appreciate the concern since we
19 operate similar power generating facilities, and
20 dust is an issue. So I think that that is
21 something that, of course, residents nearby are
22 going to be concerned about dust. Power plants
23 don't like to breathe dust, either. So that's
24 something that would have to be addressed as a
25 mitigation measure during the City's process for

1 the industrial park.

2 PRESIDING MEMBER LAURIE: Thank you.

3 HEARING OFFICER GEFTER: Marian
4 Tollefson.

5 MS. TOLLEFSON: My name is Marian
6 Tollefson and I live in Escondido. I live in the
7 hills right across the freeway from where the
8 proposed site.

9 And I feel we'll get the pollution and
10 several of the elementary schools, you know, where
11 I live.

12 I don't feel that we need another power
13 plant because California has excess energy now.
14 And I feel that a power plant is a terrorist
15 target.

16 I didn't take my notes out. I had a few
17 other things to say, but --

18 PRESIDING MEMBER LAURIE: Okay, well, do
19 you want to check your notes?

20 MS. TOLLEFSON: -- those are the main
21 things I wanted to bring up.

22 HEARING OFFICER GEFTER: Thank you. You
23 know, Ms. Tollefson, I wanted to say that you are
24 welcome to write your comments to us.

25 Okay, I'm saying that you can write to

1 us. Maybe Grace could go and explain that to her.

2 Okay.

3 Next is Mark Rodriguez. Mr. Rodriguez,
4 are you still here tonight?'

5 PRESIDING MEMBER LAURIE: Evening, Mr.
6 Rodriguez.

7 MR. RODRIGUEZ: Mark Rodriguez, that's
8 R-o-d-r-i-g-u-e-z. A couple different questions.
9 Basically why doesn't this plant meet federal
10 standards for lowest emission, achievable
11 emissions rate for NOx and for the best available
12 control technology for CO?

13 Also, the issue identification report
14 listed as interested agencies the San Diego
15 Regional Water Control Board, yet when I contacted
16 Robert Morris who is the identified party, he
17 wasn't even aware of the project at the time.

18 This is a major concern because of the
19 use of reclaimed water used in the cooling towers.
20 This brings implications of health concerns;
21 implications for human and wildlife endocrine
22 systems because of that water.

23 It also doesn't take into the emission
24 standards being used by the San Diego Air
25 Pollution Control District doesn't take into EDCs,

1 or it does not take into account PM2.5 that will
2 be emitted from this plant.

3 Semptra Energy basically is an integrated
4 holding company. Its interests are in maximizing
5 its profits. Most of its activities are not
6 regulated and it has substantial influence over
7 energy policy in the region.

8 Semptra has used that influence to
9 discourage new competitors from entering San Diego
10 as we saw during the two peaker plant process that
11 we had here in the City. That was with GoalLine
12 Environmental Technologies, speaking of the SCONOX
13 technology that one of the Commissioners spoke of
14 earlier.

15 And basically that lends to the position
16 for Semptra, for the position to provide expense at
17 the region's customers -- provide profit at the
18 expense of the region's customers.

19 Basically inaction by San Diego and
20 government agencies and state regulators at both
21 state and federal levels, it's necessary for them
22 to shape the local energy policy. San Diego has
23 emergency energy challenge that could be turned
24 into an opportunity if policymakers move towards
25 transforming the region into a mecca of low-cost,

1 environmental sensitive, and innovative power
2 technologies.

3 That's it for now. Thank you very much.

4 PRESIDING MEMBER LAURIE: Thank you.

5 Let me comment briefly on the issue of water.
6 Even if staff did not signify that water is a
7 major issue, the Commissioners, I believe, and I,
8 among them, feel the issue of water is always a
9 major issue, and we'll always look at the
10 availability of alternatives on every case that we
11 deal with.

12 Let me ask the applicant, do you have
13 any response to the questions regarding air
14 quality?

15 MR. ROWLEY: I didn't hear a clear-cut
16 question there, honestly. I'm not sure how to
17 respond.

18 PRESIDING MEMBER LAURIE: Okay, can you
19 repeat what the question was?

20 MR. SMITH: If I recall correctly the
21 question asked why this plant wasn't meeting
22 federal BACT standards for NOx and carbon
23 monoxide.

24 MR. ROWLEY: We certainly believe, and I
25 think the evidence bears out, that the plant

1 would, at 2 ppm NOx does represent the lowest
2 achievable emission rate, and best available
3 control technology.

4 It's in our interest to have that level
5 be as low as possible, first of all, just for
6 economic reasons because we have to go out and
7 purchase air emission offsets to create reductions
8 in air emissions that net out to zero the plant
9 emissions.

10 In other words, when the plant puts out
11 a certain amount of emission we have to offset
12 that 100 percent, plus another 20 percent, so the
13 lower the plant emissions are, the less emission
14 offsets we have to purchase.

15 And we're talking, you know, something
16 that's over \$10 million to go out and purchase
17 those air emission offsets. So it's an expensive
18 proposition and, again, from a purely economic
19 perspective, we're driven to the lowest possible
20 levels.

21 At the same time it's important that we
22 propose levels that are achievable. It's in our
23 interest to have permits that we can comply with.
24 It's also in the public's interest to have permits
25 that are stringent and yet offer a solid

1 circumstance where the permit holder can actually
2 meet the permit conditions.

3 If we're exceeding the permit conditions
4 because the level that was proposed is simply too
5 low and not achievable on a consistent basis, then
6 really no one's interest is served.

7 So, I think that the evidence is clear
8 that 2 ppm is something that is do-able on a
9 consistent basis, and we're seeing other parties
10 going to that level.

11 When we permitted a plant before the
12 Energy Commission about a year and a half ago in
13 the San Joaquin Valley, at that point in time the
14 level was 2.5 ppm. And there's more familiarity
15 with the technology. The technology's progressed
16 a little further to where that's now 2.0 ppm.

17 As far as -- I think there was a
18 question concerning PM2.5, which is a subcategory
19 of particulate matter. PM2.5 is part of the PM
20 that is regulated. The plant would emit a
21 regulated level of PM10, and PM2.5 is a portion of
22 that. So, strictly speaking, the plant is
23 regulated on its PM2.5.

24 PRESIDING MEMBER LAURIE: Thank you.

25 HEARING OFFICER GEFTER: Thank you. Mr.

1 Ray Klapka.

2 PRESIDING MEMBER LAURIE: Good evening,
3 sir.

4 MR. KLAPKA: Good evening. Ray Klapka.
5 I'm a resident of the neighborhood. And first of
6 all I want to say that I think the project sounds
7 terrific. I like the idea of using the hot gases
8 from the combustion of the two turbines to heat
9 the water for the third turbine. I think that's a
10 marvelous project.

11 My question involves the 110-foot
12 stacks. Realizing now that the grade will be 40
13 feet lower than it is at the moment, that will
14 only put the stacks up maybe 60 or whatever feet,
15 that 70 feet above that of the new grade.

16 My question, though, is not so much the
17 grade, but why do you need the stacks if the air
18 that we're emitting is clean enough that we can
19 put it into an industrial park or the City of
20 Escondido?

21 And that goes to the question why in the
22 City of Escondido, even though I realize the
23 water's there, the transmission lines are there,
24 the gasline's there and it's an industrial park,
25 it still seems like it should be someplace else in

1 the City of Escondido.

2 PRESIDING MEMBER LAURIE: Thank you.

3 I'll ask the applicant to respond to the question
4 about the stacks. As to the question of whether
5 the City should deal with or want or desire a
6 plant, they will -- the City will address that
7 issue during their specific --

8 MR. KLAPKA: I understand that.

9 PRESIDING MEMBER LAURIE: -- process.

10 The question was -- the question relates to the
11 cooling towers and air emissions. And could you
12 briefly explain the purpose of the stack, and how
13 it relates to air emission standards?

14 MR. ROWLEY: Right. The exhaust stack
15 of 110-foot high structure, and by the way,
16 there's renderings posted in the corner of the
17 room there that show what that would look like in
18 relation to the ridgeline from various vantage
19 points.

20 But, the impact of air emissions is a
21 function of two things. One is what is the
22 emission rate; in other words, what's the
23 concentration, the amount of pollutant that's
24 coming out of the plant. And then the second
25 parameter is how well dispersed is that.

1 The stack has to be a sufficient height
2 to where dispersion doesn't put all the pollution
3 in one spot. It basically disperses the small
4 amount of pollution that we start with, take that
5 very small amount and then disperse it over a wide
6 area so that when you look at any given area
7 there's no significant change from the existing
8 environment.

9 So the 110-foot stack basically meets
10 that function. If it were say 80 feet tall, it
11 would be the same height as the boiler, itself.
12 And then when wind blows across the structure it
13 would tend to want to take the plume and pull it
14 downward. And so it would tend to impact a local
15 area rather than taking that small amount of
16 pollutant and spreading it over a very wide area.

17 MR. KLAPKA: I see. But at the same
18 time, Joe, by digging a 40-foot hole you're
19 lowering that stack 40 feet, so you're getting it
20 closer to the grade, or to the industrial park, if
21 you will.

22 MR. ROWLEY: That's right. The
23 operative thing is where is the top of the stack.
24 So, the top of the stack has to be at a certain
25 level in relation to the terrain. And also in

1 relation to the boiler.

2 So when you look at just the boiler
3 alone, the stack really can't be much lower than
4 about 100 feet before you start getting a lot of
5 interaction with the boiler structure.

6 And so we did a balancing act, really,
7 between visual impacts and the height of the stack
8 and dispersion requirements and so forth, to come
9 up with the result that we did. And again, that's
10 depicted in those renderings. And you can judge
11 for yourself how we did.

12 MR. KLAPKA: Okay, one last question I
13 have had to do with the project. It sounds to me
14 like this isn't new technology. Certainly the
15 natural gas turbines aren't, and the water
16 turbines aren't.

17 Is this project duplicated from some
18 other project? In other words, it's not a fast-
19 track project. We're not getting ahead of
20 ourselves as far as designing or building and then
21 designing later?

22 MR. ROWLEY: I would say the project is
23 on the cutting edge of efficiency, but it's
24 something that we're comfortable with; it's
25 sufficiently proven.

1 It's a small increment beyond a project
2 that we put in service last year, for example, in
3 terms of efficiency. So, the technology is
4 proven.

5 It's getting to the point of diminishing
6 returns, I'd have to say, where temperatures and
7 so forth are -- it's getting difficult to get
8 great efficiency improvements, say as compared to
9 1980. We've come a long way since 1980, but we're
10 kind of coming down the curve where it's getting
11 tougher and tougher to get more efficient.

12 MR. KLAPKA: Thank you.

13 PRESIDING MEMBER LAURIE: Thank you. I
14 should note as a reminder that this is not your
15 last opportunity to ask questions. There will be
16 numerous public hearings and public workshops
17 which will be less formal than even this.

18 So, if you have questions after tonight,
19 you'll have plenty of opportunity to ask those.

20 HEARING OFFICER GEFTER: Mr. Tony
21 Smeerdyk.

22 PRESIDING MEMBER LAURIE: Good evening.

23 MR. SMEERDYK: Good evening. My name is
24 Tony Smeerdyk; that's S-m-e-e-r-d-y-k. And I'm
25 here as a Technical Advisor with, as I mentioned

1 earlier, with the Save Southwest Riverside County
2 Group. And that group is, in particular, looking
3 at the alternatives that are associated with the
4 transmission facilities of the new interconnect
5 that San Diego Gas and Electric is planning.

6 The issue that I'd like to bring out
7 this evening is, first of all I've been in
8 communication with Bob Eller in early January
9 prior --

10 PRESIDING MEMBER LAURIE: With whom?

11 MR. SMEERDYK: Bob Eller, the Project
12 Manager.

13 PRESIDING MEMBER LAURIE: Okay, thank
14 you.

15 MR. SMEERDYK: -- via email, and I
16 submitted with him a very comprehensive report on
17 some issues relating to system impacts that this
18 particular power plant may impose on the southern
19 California electric grid.

20 I came here this evening, first of all,
21 to place that on record. And it is my
22 understanding now that as a result of the data
23 inadequacy report that the Commission has filed,
24 or the staff has filed with Sempra, that a data --
25 or a system impact study had been ordered through

1 the inadequacy of the data. And that is now in
2 undertaking.

3 It is my hope that as this study is
4 presented here in the very near future that it
5 will evaluate its total impact to the southern
6 California grid through the years of 2005 and
7 2010, and not just the original study of 2002.

8 In addition to that, what I hope that
9 study will accomplish is to look at fresh updated
10 planning, load estimating data, generation
11 resource data so that the system impact can be
12 properly analyzed with and without this proposed
13 new interconnect.

14 I was pleased to hear Semptra make the
15 statement that the fundamental concept of an
16 electric power grid is that if you have generation
17 shortage near the load, it's best to insert that
18 new generation at the load. And that's best for
19 reliability of everybody concerned.

20 The dichotomy that is undergoing on
21 right now is we're trying to figure out whether or
22 not there's a relationship between this plant and
23 the proposed proceeding that's going on with the
24 Public Utilities Commission for the new 500 kV
25 interconnect that's supposed to establish a third

1 interconnect of the San Diego grid to Southern
2 California Edison's grid at Valley Substation in
3 Riverside County.

4 San Diego Gas and Electric is a child
5 affiliate of Semptra, and its project, by
6 coincidence, is being constructed along the same
7 timeframe with approximately the same import/
8 export capacity as what is currently under
9 development proposal by Semptra.

10 And part of the arguments of that
11 particular proceeding include that that line is
12 needed for reliability. Well, we've just
13 addressed the reliability in one aspect this
14 evening that if you build a power plant down here
15 reliability is greatly enhanced. A 500 megawatt
16 plant represents about 12 percent of San Diego Gas
17 and Electric's total load that they serve. So
18 that's a pretty significant piece of the puzzle to
19 improve reliability.

20 On the other hand, arguments are being
21 made that this line is fundamental to the ability
22 to export power. So, there's a dichotomy. What
23 is it? Is it for this or is it for that? And we
24 believe therefore that perhaps a very close
25 investigation ought to be done in relationship to

1 what is that line's relationship to the Palomar
2 project, and the other projects that were
3 mentioned that are currently under development.

4 So, I wanted to get that on the record
5 as part of it.

6 We're also hoping that perhaps as staff
7 receives the data requests, that additional
8 investigation could be placed into what the
9 interconnection agreements really look like
10 between Southern Cal Edison and the proposed
11 interconnect and its relationship to this line.
12 And find out what additional interconnection
13 changes are required as a result of all of the
14 projects combined that are going to go into
15 operation in about 2004, 2005.

16 And that's basically it, what I wanted
17 to get on the record this evening.

18 PRESIDING MEMBER LAURIE: Thank you.

19 HEARING OFFICER GEFTER: Thank you, Mr.
20 Smeerdyk. I have a question about your
21 organization that you represent, SSRC. Could you
22 tell us what that stands for and what your work
23 is?

24 MR. SMEERDYK: Yes. SSRC is a volunteer
25 organization in southwest Riverside County. It

1 stands for Save Southwest Riverside County, SSRC.
2 And we're organized, we are an intervenor in the
3 proceeding for the Valley Rainbow 500 kV project
4 that's under advisement with the PUC. There's
5 application for construction on that particular
6 project.

7 HEARING OFFICER GEFTER: Is that the
8 Rainbow line that you're talking about?

9 MR. SMEERDYK: Yes, that's correct. And
10 in that proceeding there are -- that particular
11 line is under proposal, plus a new Escondido-
12 Talego 200 kV line, and other reinforcements
13 within the San Diego grid.

14 And they all seem to correlate to one
15 another, and as a result we feel that this is a
16 piece of that full puzzle. And if it is, through
17 the data, the system impact study and additional
18 data analysis that the CEC's going to undertake,
19 perhaps if there is a linkage between the
20 projects, then perhaps those costs should also be
21 regarded as part of this application, and those
22 costs considered as a cost to ratepayers.

23 HEARING OFFICER GEFTER: You indicated
24 that you filed a document with Mr. Eller?

25 MR. SMEERDYK: Yes, I did.

1 HEARING OFFICER GEFTER: Okay. Mr.
2 Eller, has that been docketed?

3 MR. ELLER: I believe it should be found
4 in the docket. I've also provided the staff, and
5 copies to the applicant.

6 MR. SMEERDYK: Yes, Mr. Eller did. He
7 responded back to me stating that it was docketed
8 and that he would forward a copy of that
9 particular document to the applicant and other
10 parties. So I'm satisfied that's happened and the
11 proceedings are going on.

12 HEARING OFFICER GEFTER: Thank you. And
13 I would also tell the public that when we ask if a
14 document has been docketed that means it's in our
15 public record, and it would be available for any
16 member of the public to have access to it. And if
17 you wanted to get a copy you could contact the
18 Public Adviser's Office and they could help you.

19 MR. SMEERDYK: Thank you very much for
20 your time.

21 HEARING OFFICER GEFTER: Thank you. So,
22 Mr. Bill Powers.

23 PRESIDING MEMBER LAURIE: Evening, sir.

24 MR. POWERS: My name is Bill Powers,
25 P-o-w-e-r-s. And I'd like to thank the -- I

1 should say who I'm representing. Two hats.
2 Powers Engineering, air quality consulting, which
3 is my day job. And Border Powerplant Working
4 Group, which is an organization that was formed
5 last year to address the large number of power
6 plants that were proposed for this specific area,
7 as well as the U.S./Mexico border region nearby.

8 And that group, the Border Powerplant
9 Working Group, is promoting -- it is not a NIMBY
10 group, a not-in-my-backyard-group, but is a group
11 that's promoting a set of sustainable
12 characteristics for the plants so that we can
13 actually absorb a dozen new plants without
14 suffering some significant air and water quality
15 impacts.

16 First off I'd like to thank the CEC for
17 having this initial meeting at this time, and to
18 have this opportunity to get involved early enough
19 to make a difference. And I'm actually starting
20 to feel like a CEC meeting groupie since I was in
21 Morro Bay yesterday, speaking on that particular
22 project.

23 But I think that just underscores that
24 even though the power crisis seems to have abated,
25 we still have a lot of projects in the hopper --

1 PRESIDING MEMBER LAURIE: If that's the
2 only way I'm going to get a groupie, then I'm
3 going to go for it.

4 (Laughter.)

5 MR. POWERS: I guess the first point I
6 wanted to make is the reason I'm here at the
7 podium tonight is to talk about the cooling
8 system. I agree that Sempira's proposal for air
9 quality is state of the art, that's not an issue.

10 The issue is cooling system. And here
11 in San Diego County the only power plant that has
12 been permitted in my memory has been the Otay Mesa
13 Power project. Otay Mesa, from my perspective as
14 an engineer and as a local resident, was a great
15 leap forward for one primary reason. And that is
16 that it incorporated an air cooled condenser. It
17 eliminated the water demand of the power plant.

18 I think it's important to point out that
19 the Otay Mesa project has not yet begun
20 construction, but it is essentially the same
21 output as this project, approximately 500
22 megawatts.

23 And the advantages of air cooling, to
24 just enunciate them quickly, are in the case of a
25 500 megawatt plant it would eliminate 4 million

1 gallons a day of demand for that reclaimed water.
2 It would eliminate the cooling towers and the
3 associated PM10 emissions.

4 It would also free that reclaimed water
5 up for other uses, which could be, in the City of
6 Escondido where I used to live and used to grow
7 avocados, it was used, or is being used now for
8 landscape irrigation, for golf courses, which is
9 great.

10 The original intent of the reclaimed
11 water project, the Hale facility, was to build it
12 up for use in avocado groves, which this City is
13 famous for. And it's really the only remaining
14 agriculture here in the town.

15 There was a five-year study done in the
16 mid '90s commissioned by the City of Escondido to
17 look at using the reclaimed water in the groves.
18 They ran into some problems. They ran into
19 problems with salinity, making it, in its current
20 form, not applicable to the groves.

21 And these are problems that can be
22 resolved and need to be looked at. And the author
23 of that five-year study on using reclaimed water
24 in the groves, his opinion is that the avocado
25 industry in this town is going to die much sooner

1 than later if it does not start using reclaimed
2 water primarily because of the price.

3 If it is considerably cheaper than
4 potable water, you keep your industry alive. And
5 if you can use that reclaimed water, you keep that
6 component of the City.

7 And I think the City of Escondido has to
8 make a decision. The City is at a crossroads.
9 The City needs to do the hard work to use that
10 reclaimed water in the groves. Or they need to
11 accelerate the conversion of what's left of that
12 agriculture to industrial uses, such as four
13 million gallons a day to this plant.

14 The nice thing about the air cooling,
15 and the nice thing about what happened at Otay
16 Mesa is that you can have it both ways. You can
17 use the water for the groves and you can use air
18 to cool this particular plant.

19 The final comments I have to make, I'll
20 wrap it up, are on the visual issues and the noise
21 issues. And two things come up with the use of
22 air cooling in this type of situation. One is
23 visual, that this system will be quite high.

24 And I just want to point out that the
25 final design at Otay Mesa with the air cooled

1 condenser is 75 feet high. And I think, I haven't
2 read the complete project description here, but I
3 think that the HRSG tops out at 80 feet, and the
4 stack is at 110 feet.

5 And the point is that the air cooled
6 condenser, if optimized for this site, is actually
7 going to be lower than some of the bigger hardware
8 that's already there. It will still have the
9 visual impact, but it will be part of the scenery
10 as opposed to sticking out like a white elephant.

11 At that site, as well, they also use
12 what they call ultra-low noise fans, or elephant
13 ear fans, which, I understand, keep the noise
14 level at the fenceline very low.

15 But I just want to put that on the table
16 early on in the process to say that we've
17 established a wonderful precedent in the County of
18 San Diego at Otay Mesa. And I think that we
19 really need to look very hard at the reasons why
20 the City is freeing up reclaimed water for use
21 where three-quarters of that water gets
22 evaporated, the other fourth becomes brine and
23 it's unusable for any other purpose.

24 And thank you for letting me make these
25 comments.

1 PRESIDING MEMBER LAURIE: Thank you, Mr.
2 Powers.

3 Mr. Rowley, did you want to respond to
4 the question, and the question basically deals
5 with wet versus dry cooling. And by the way, that
6 question will be fully examined in the
7 Commission's environmental analysis.

8 MR. ROWLEY: The method of cooling is
9 something we take a look at on every project.
10 We've gone with dry cooling on our Eldorado Energy
11 project, which is in operation in southern Nevada.
12 And we've done wet cooling on other projects.

13 Each one of our projects is individual
14 and we analyze the individual circumstances in
15 which the project is found. When we're trying to
16 minimize visual impact and where reclaimed water
17 is available, especially in this circumstance
18 where in our discussions with the City the
19 response that we've heard in terms of our use of
20 reclaimed water is if we use more they'll make
21 more.

22 Basically they're taking the sewage
23 water that goes to the their treatment facility
24 and treating a part of that to create reclaimed
25 water. If there are additional reclaimed water

1 needs, then they would create more reclaimed
2 water. So there's plenty more sewer water
3 available apparently than there is reclaimed water
4 that would be produced.

5 It is an individual thing that we look
6 at in terms of economics. Dry cooling does, in
7 addition to having visual impacts, does have
8 efficiency and output impacts to the plant, which
9 are part of the equation.

10 But having said that, again, we have
11 gone with dry cooling where it is appropriate.
12 And in this particular circumstance, given all of
13 the issues involved, wet cooling is the conclusion
14 that we came to.

15 PRESIDING MEMBER LAURIE: Thank you,
16 sir. No more blue cards. But anybody else want
17 to ask a question at this point?

18 If not, we'll move on to the scheduling
19 issues. Mr. Eller. We're talking about
20 scheduling up to the prehearing conference, is
21 that right?

22 MR. ELLER: That's correct. I --

23 PRESIDING MEMBER LAURIE: What we're
24 talking about, ladies and gentlemen, is before the
25 evidentiary, the formal hearings start, we'll have

1 a prehearing much like a court would have. And at
2 the prehearing conference we will talk about the
3 specifics of the process to be followed during the
4 evidentiary hearing.

5 But tonight we're only going to talk
6 about the schedule up to that prehearing
7 conference, because that's all we have control
8 over up to this point.

9 Mr. Eller.

10 MR. ELLER: As contained in our issue
11 identification report the schedule is on the
12 screen. It assumes that this is a 12-month
13 project as proposed by the applicant.

14 Staff filed data requests on the 8th of
15 March. We expect -- we issued the identification
16 report, as we said, on the 15th. On the 8th of
17 April we are expecting data responses from the
18 applicant. We expect to schedule a data response
19 and issues workshop shortly thereafter. We are
20 currently targeting that at the 16th of April.

21 These dates are all tentative at this
22 point. They may slip a day here or there.

23 Following that we'll look at possibly
24 having a second round of data requests. This will
25 culminate in another round, if those are issued,

1 in additional workshops.

2 June 6th we expect to get a preliminary
3 determination of compliance from the San Diego
4 County Air Pollution Control District. We would
5 issue our preliminary staff assessment following
6 that on July 5th. And hold PSA workshops
7 beginning July 26th.

8 We would look at a final DOC from the
9 Air District, determination of compliance, on
10 August 6th. And filing our staff assessment,
11 final staff assessment on September 4th for a
12 Committee prehearing conference on September 12th.

13 PRESIDING MEMBER LAURIE: Now, is that
14 partially dependent upon the schedule of the City?

15 MR. ELLER: It certainly is. And as we
16 understand the schedule today, these will mesh.
17 If the schedule from the City would slip, we would
18 likely have similar slips in our schedule.

19 HEARING OFFICER GEFTER: I also have a
20 question for Mr. Lake from the Air District.
21 These are estimated times for the PDOC and FDOC.
22 Is the Air District in agreement with those dates?
23 Okay.

24 MR. SPEER: Again, I'm Dan Speer with
25 the Air Pollution Control District.

1 HEARING OFFICER GEFTER: Could you spell
2 your last name for us?

3 MR. SPEER: S-p-e-e-r.

4 HEARING OFFICER GEFTER: Thank you.

5 MR. SPEER: We have established somewhat
6 of a working schedule, and we have projected to
7 have a draft PDOC prepared by May 15th of this
8 year. The final PDOC by the 30th of that same
9 month of May.

10 And the final determination of
11 compliance by July 30th. So we will be slightly
12 ahead of the schedule that you've shown, but
13 there's conceivably could be some slippage.

14 HEARING OFFICER GEFTER: Thank you.
15 We'll see how that goes. Thank you.

16 Also, for Mr Rowley, with respect to the
17 data requests and data response schedule,
18 apparently there were a number of delays that we
19 may find in the data responses. A document was
20 filed where there was some objections lodged.

21 Do you have any idea that you could give
22 us as to the time for responding to those data
23 requests?

24 MR. ROWLEY: I'd like Taylor Miller to
25 respond to that.

1 MR. MILLER: Thank you. We are on
2 schedule to respond to the great majority of the
3 data requests by April 8. And our environmental
4 consultants are at work, I'm not sure as we speak,
5 but at work.

6 We do have some concerns with a few of
7 the requests as to whether they are necessary for
8 producing additional relevant information for the
9 proceeding, but by and large, our filing on data
10 requests dealt with schedule issues on a handful
11 of them, maybe eight or nine.

12 Our intention is to work with staff with
13 regard to additional dates on those, schedule. We
14 proposed some dates in our objection statement and
15 notice statement on some of them. Others we need
16 to consult to some degree with the City to see
17 what information may be available through their
18 process and through the applicant. And also with
19 the applicant for the ERTC project.

20 So, to make a long story short we would
21 expect to have additional dates set within the
22 next week or so. And eventually respond to the
23 great majority of the requests.

24 So, I don't expect any significant
25 delay, in other words, in that regard.

1 HEARING OFFICER GEFTER: All right,
2 thank you.

3 PRESIDING MEMBER LAURIE: Did the
4 applicant have any comments regarding the schedule
5 at this point?

6 MR. MILLER: We filed a response of our
7 own schedule in which we agreed with the staff's
8 proposal. So we have no concerns with that.

9 PRESIDING MEMBER LAURIE: Okay. The
10 Committee will be issuing a scheduling order
11 following this hearing.

12 Ms. Gefter, anything else to come before
13 us -- ladies and gentlemen, anything else before
14 we close out tonight?

15 Mr. Smith, any comments on behalf of
16 Chairman Keese?

17 MR. SMITH: No, I do not.

18 PRESIDING MEMBER LAURIE: Thank you.

19 Ladies and gentlemen, this is an
20 important process for you all. This is your
21 community. You have the right to participate in
22 this process, and it's our obligation to respect
23 that right. And we intend to do so.

24 Ms. Gefter, I sense that you want to say
25 something.

1 HEARING OFFICER GEFTER: We can adjourn
2 now and go off the record.

3 (Whereupon, at 8:26 p.m., the
4 informational hearing was concluded.)

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CERTIFICATE OF REPORTER

I, JAMES A. RAMOS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of April, 2002.

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